

## MARKET RELEASE

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### **CHALLENGER CHIEF EXECUTIVE OFFICER TO STEP DOWN DEPUTY MD TO TAKE OVER THE ROLE**

25 August 2008, Sydney - Challenger Financial Services Group Limited ("Challenger") today announced that Chief Executive Officer and Managing Director Mike Tilley would step down from these roles effective 31<sup>st</sup> August 2008.

Since his appointment in 2004 Mr Tilley has overseen a significant change in the shape, financial strength and culture of the Challenger business, and steps down at a time when the company has a strong track record of normalised earnings growth and minimal net debt.

Mr Dominic Stevens, who has been Deputy Managing Director, will become Chief Executive Officer and Managing Director effective 1<sup>st</sup> September 2008. Mr Stevens joined Challenger in September 2003 and has been a key member of the leadership team over the past five years.

Announcing the changes, Challenger's Chairman Mr Peter Polson said: "Mike Tilley came to Challenger with a clear mandate; he has fulfilled that mandate and the board has been considering the right structure for the next phase of the company's development.

"Mike has developed a strong senior team and there was no question about succession. Dominic has a strong track record with Challenger. He has been a key participant of the Challenger management team, involved in all aspects of the business, and contributed greatly to the company's turnaround over the past four years. The board looks forward to working closely with Dominic during the next phase of the company's development."

Mr Tilley said: "I came to Challenger in 2004 with a clear set of objectives which have now been fulfilled. The company is in strong shape and has many exciting opportunities before it. The decision to bring forward succession to align with these opportunities is absolutely the right decision for the company and all of its stakeholders.

"Dominic and I have worked very closely together over the past four years and I have every confidence that he will be an outstanding Chief Executive," Mr Tilley said.

Mr Tilley has been asked by the Board to be available to the company on a consultancy basis.

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